pends on the *lex loci contractus*, on the principle *locus regit actum*. *Hunt* v. *Jones*, 12 R. I. 265. See DICEY, CONFLICT OF LAWS, 2 ed., 540. This is the better view, even in contracts for the sale of land. See *Cochran* v. *Ward*, 5 Ind. App. 89, 93, 29 N. E. 795, 796; WHARTON, CONFLICT OF LAWS, 3 ed., § 693 *b*. Dicey, however, states that in such contracts the *lex situs* governs as to formal validity. See DICEY, CONFLICT OF LAWS, 2 ed., 503, 542. The principal case in result supports this exception, for which there is some American authority. *Meylink* v. *Rhea*, 123 Ia. 310, 98 N. W. 779. See *Bissell* v. *Terry*, 69 Ill. 184, 190. Of course if the *lex situs* refuses to recognize that an interest in the land has been created by such a contract, relief *in rem* cannot be obtained. This, however, should not prevent relief *in personam* by way of damages such as was sought in the principal case. See 21 HARV. L. REV. 365.

CONTRACTS — RESTRAINT OF TRADE — VALIDITY OF RESTRICTIONS AGAINST COMPETITION IN EMPLOYMENT CONTRACT. — The defendant, on accepting employment in the plaintiff's pathological laboratory in London, agreed not to engage in any similar work within ten miles of the plaintiff's laboratory, no limit of time being expressed. The defendant later set up a rival laboratory within the ten-mile limit, and the plaintiff seeks to enjoin him. *Held*, that an injunction will not be granted. *Eastes* v. *Ross*, [1914] 1 Ch. 468.

If the restraint of trade imposed is reasonable with reference to the interests of the parties and the public, the contract will be upheld. *Nordenfelt* v. *Maxim Nordenfelt Guns & Ammunition Co.*, [1894] A. C. 535; *Oakdale Mfg. Co.* v. *Garst*, 18 R. I. 484, 28 Atl. 973. So an agreement, on the sale of good will, that the vendor, during his life, will not compete within a reasonable distance of his vendee, is valid. *Marshalls* v. *Leek*, 17 T. L. R. 26; *Wood* v. *Whitehead Bros. Co.*, 165 N. Y. 545, 59 N. E. 357. If the object of a contract, with restrictions similar to those in the principal case, is to protect the employer's trade secrets, it will also be upheld. *Haynes* v. *Doman*, [1899] 2 Ch. 13. There is a strong policy in favor of making possible an effective sale of good will, and of protecting a trade secret just as any tangible asset of its owner. If, therefore, such a contract is reasonable with reference to the interests of the parties, it is clearly valid. See *Mason* v. *Provident C. & S. Co.*, [1913] A. C. 724, 738, 740. The only object of the contract in the principal case is to prevent a possible competition by the defendant in the future. And while this does not furnish so strong an argument in favor of validity as the above factors, such contracts are not, in themselves, against public policy, even in America. *Davies* v. *Racer*, 72 Hun. (N. Y.) 43, 25 N. Y. Supp. 293. The restriction, as regards time and space, would seem on the facts no larger than necessary for the protection of the plaintiff and his assignees. The decision in the principal case therefore seems questionable. The court further touches on the undesirability of depriving the public of the services of the defendants, a consideration not emphasized hitherto in the recent English cases. But this consideration apparently has not been sufficient to overthrow contracts between employer and employee, even in our courts.

CORPORATIONS — ULTRA VIRES — CONTINUING CONTRACT MADE FOR AN UNAUTHORIZED PURPOSE. — In a suit for the breach of a continuing contract to buy coal, the defendant, an interstate carrier (now plaintiff-in-error), introduced evidence that it had made the contract with the dominant purpose to resell the coal. The court's charge permitted recovery whether or not the vendor knew or had means of knowledge that the railroad was engaged in the business of merchandizing coal. *Held*, that the plaintiff cannot recover if it knows, or is chargeable with knowledge of, the railroad's unlawful purpose. *Chesapeake & O. R. Co.* v. *McKell*, 209 Fed. 514 (C. C. A., 6th Circ.).